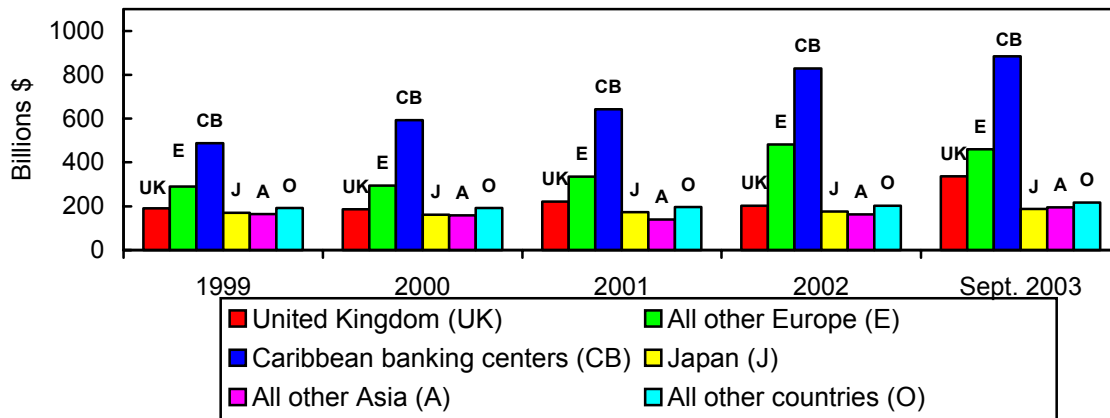


Chart CM-A -- U.S. Liabilities to Foreigners Reported by U.S. Banks, Brokers and Dealers with Respect to Selected Countries



(In millions of dollars. Source: Treasury International Capital Reporting System)

Country	1999	2000	2001	2002	Sept. 2003
United Kingdom.....	190,706	187,145	222,032	203,237	336,945
All other Europe.....	290,632	294,716	334,586	482,945	460,607
Caribbean banking ctrs\1 \2	487,601	593,499	641,952	829,138	884,375
Japan.....	170,614	162,449	173,640	176,151	188,502
All other Asia.....	165,229	158,524	140,329	162,938	195,131
Subtotal.....	1,304,782	1,396,333	1,512,539	1,854,409	2,065,560
All other countries.....	192,495	192,856	197,241	202,127	216,746
Grand total.....	1,497,277	1,589,189	1,709,780	2,056,536	2,282,306

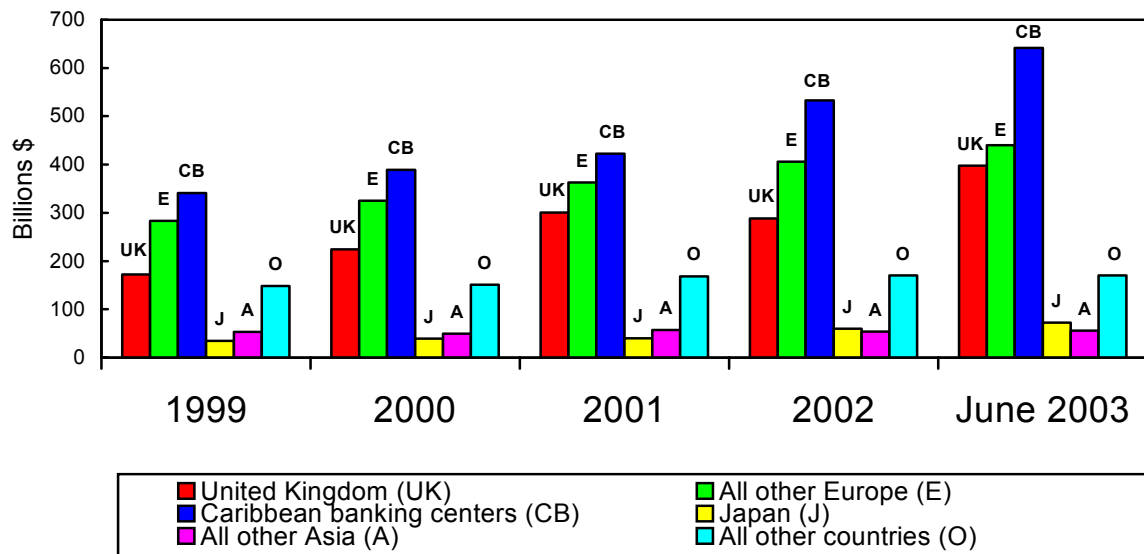
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

\2 Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

U.S. banking liabilities to foreigners, excluding long-term securities, were recorded at about \$2.3 trillion in September 2003, an increase of about \$225 billion from year-end 2002. Much of the increase in liabilities to foreigners this year reflects changes to the reporting scope of the Treasury International Capital (TIC) reporting system effective February 2003. Between June and September 2003, when data are reported on a consistent basis, U.S. banking liabilities were little changed. U.S. banking liabilities increased about \$345 billion in 2002 and \$120 billion in 2001.

U.S. banking liabilities are concentrated in international financial centers. The data on this page show that over half of U.S. banking liabilities is currently recorded against the United Kingdom and banking centers in the Caribbean. These financial centers have recorded most of the growth in banking liabilities in recent years, and also recorded most of the reported increase in liabilities during the first half of 2003. Foreigners domiciled in the rest of Europe and in Asia account for about 40 percent of U.S. banking liabilities.

Chart CM-B -- U.S. Claims on Foreigners Reported by U.S. Banks,
Brokers and Dealers with Respect to Selected Countries



[In millions of dollars. Source: Treasury International Capital Reporting System]

Country	1999	2000	2001	2002	June 2003
United Kingdom.....	172,345	223,976	300,665	288,133	397,252
All other Europe.....	283,430	324,734	362,960	406,139	439,621
Caribbean banking ctrs\1 \2.	340,917	388,987	422,615	533,194	641,631
Japan.....	34,627	39,179	40,047	59,792	72,688
All other Asia.....	53,267	49,440	57,326	53,952	55,887
Subtotal.....	884,586	1,026,316	1,183,613	1,341,210	1,607,079
All other countries.....	148,542	150,876	167,986	170,023	170,344
Grand total.....	1,033,128	1,177,192	1,351,599	1,511,233	1,777,423

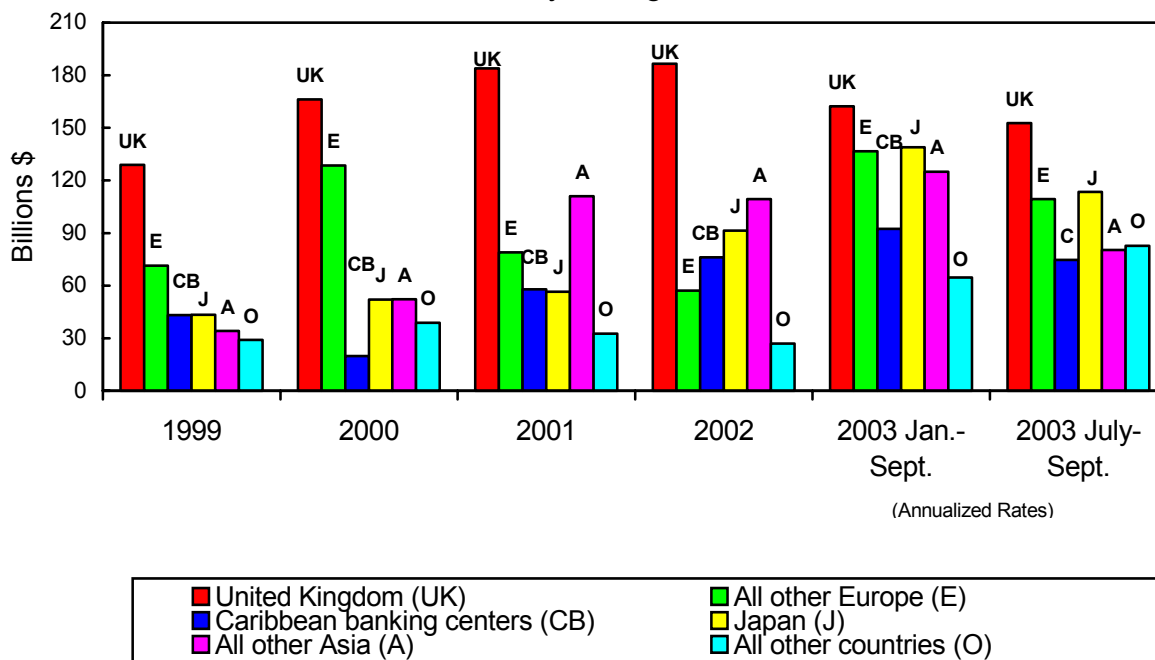
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama

\2 Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

In June 2003, U.S. banking claims, excluding long-term securities, amounted to nearly \$1.8 trillion, an increase of about \$265 million from yearend 2002. In large part, the increase in claims reflects changes to the reporting scope of the Treasury International Capital (TIC) reporting system effective February 2003. In particular, these figures now include brokerage balances and positions with affiliated foreign offices reported by U.S. brokers and dealers.

As with U.S. banking liabilities, U.S. banking claims on foreigners are concentrated in international financial centers. About 60 percent of these claims are reported opposite the United Kingdom and banking centers in the Caribbean. These financial centers accounted for most of the increase in U.S. banking claims in the first half of this year. The share of claims against foreigners domiciled in Asia has declined over the past several years from about 20 percent at the end of 1996 to less than 10 percent currently.

Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



[In millions of dollars. Source: Office of International Financial Analysis]

Country	2000	2001	2002	2003 Jan. - Sept.	2003 July - Sept.
United Kingdom.....	166,290	183,986	186,691	121,799	38,154
All other Europe.....	128,577	78,921	57,064	102,558	27,356
Caribbean banking ctrs ¹ \2...	19,883	57,817	76,137	69,274	18,678
Japan.....	52,006	56,589	91,412	104,134	28,365
All other Asia.....	52,151	110,995	109,314	93,703	20,087
Subtotal.....	418,907	488,308	520,618	491,468	132,640
All other countries.....	38,921	32,541	26,926	48,474	20,674
Grand total.....	457,828	520,849	547,544	539,942	153,314

¹ Includes Bahamas, Bermuda, British West Indies, Cayman Islands, Netherlands Antilles, and Panama.

² Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

The data on this page represent foreign investors' purchases and sales of long-term U.S. securities (that is, U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) as reported to the Treasury International Capital (TIC) reporting system. Foreign investors also acquire U.S. equities through mergers that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps amounted to \$21 billion in 2000, \$7 billion in both 2001 and 2002, and zero in the first three quarters of 2003. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.)

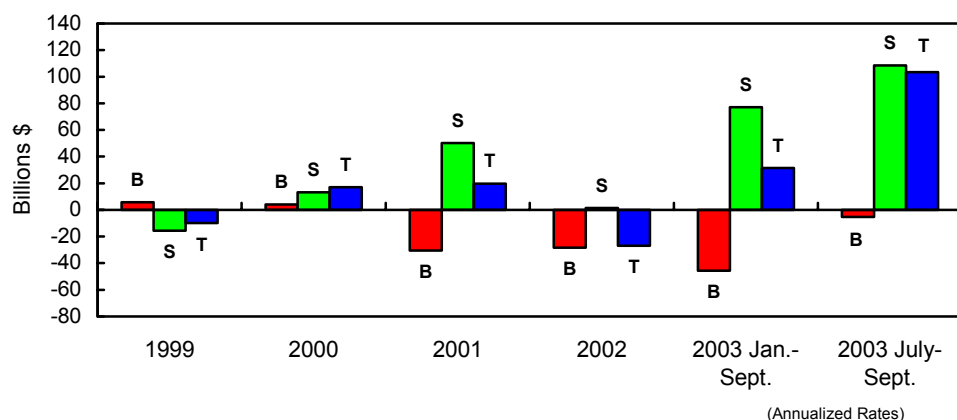
These stock swaps are not reported under the TIC reporting system, but stock swaps data are now available on the TIC web site. In addition, the TIC website now includes estimates of principal payments on asset-backed U.S.

Government agency and U.S. corporate bonds. These principal repayments on asset-backed securities (ABS) are the equivalent of sales by foreigners of these securities but are not captured by the TIC reporting system. In the first three quarters of 2003, ABS principal repayments amounted to an estimated \$76 billion.

The data present aggregate net purchases for 2000 through the first three quarters of 2003. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 2000.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2002, net acquisitions (including stock swaps) of U.S. securities totaled a record \$554 billion. In the first three quarters of 2003, net foreign acquisitions of U.S. securities have accelerated to \$540 billion (\$465 billion when adjusted for ABS principal repayments), or over \$700 billion on an annual basis (over \$624 billion adjusted for ABS principal repayments).

Chart CM-D -- Net Purchases of Long-Term Foreign Securities
by U.S. Investors*



■ Foreign bonds (B) ■ Foreign stocks (S) ■ Total foreign securities (T)

Type	[In millions of dollars. Source: Office of International Financial Analysis]					
	1999	2000	2001	2002	2003	2003
					Jan. - Sept.	July - Sept.
Foreign Bonds.....	5,676	4,054	-30,502	-28,446	-34,207	-1,310
Foreign Stocks.....	-15,640	13,088	50,113	1,512	57,852	27,164
Total.....	-9,964	17,142	19,611	-26,934	23,645	25,854

* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past several years, U.S. investors also have acquired a substantial amount of foreign stocks, mostly European, through mergers that involve stock swaps. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$45 billion in 2001, only \$3 billion in 2002, and \$15 billion in the first three quarters of 2003. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are now available on the TIC web site.

Including stock swaps, annual U.S. net purchases of long-term foreign securities averaged about \$100 billion from the mid-1990s through 2000, without much variation from year to year. In 2001, U.S. investors sold \$31 billion in foreign bonds, but U.S. purchases of foreign stocks held up and U.S. acquisitions of foreign securities (including stock swaps) fell to only \$65 billion. In 2002, U.S. investors again sold foreign bonds (\$28 billion), but U.S. purchases of foreign stocks (including stock swaps) fell sharply and on net U.S. investors sold \$24 billion in foreign securities. In 2003, strong U.S. demand for foreign equities has offset continued net sales of foreign bonds; on net (including stock swaps), U.S. investors acquired \$38 billion in foreign securities in the first three quarters of the year.